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On the workers' councils of 1956

*Prehistory*²

The history of the workers' councils of 1956 cannot be understood without the history of the Hungarian working class. The intellectual-political and socio-cultural development of the Hungarian working class has been shaped by diverse and complex historical processes in the interwar period. The counter-revolutionary system of Horthy destroyed and criminalized the 1918-1919 revolutionary tradition of the workers' councils of the Hungarian working class, it banned the communist party and it declared in the name of the sanctity of private property that communal property – which was defined as the essence of socialism from Marx and Lenin till Zsigmond Kunfi, Justus and Lukács – was a sinful idea. The official Christian-nationalist ideology, which defined the treaty of Trianon as the ruin of Hungary, put the revisionist aspirations – which followed from the policy of the ruling classes - in the center of the national policy and memory. This served later as the basis of the alliance with the Nazi Germany in the period of the Second World War. In spite of the decade-long, nationalist brainwashing the former, predominantly multiethnic Hungarian industrial skilled working class, which constituted the backbone of organized labor of about one hundred thousand members, remained loyal to social democracy even in the most difficult times. At the same time with the Nazi advance the extreme rightist-Hungarian Nazi (Arrow Cross) organizations and the racist-anti-Semitic ideologies of the system also took root among the unemployed masses in the periphery of the working class of the small-scale industry, mainly in the outskirts of Budapest.

At the end of the war the anti-war efforts of the social democrat and communist parties found a positive reception in the wide masses of the working class. Even though in Hungary there was no popular uprising against the Nazis and their associates, by 1945 the Marxist, socialist ideas became embedded in the consciousness of the politically interested - even though relatively thin - layer of the working class. National committees and other organizations of people's self-management were established spontaneously, which is the best evidence that

¹ E Tokióban megtartott előadásomat ajánlom Balogh András professzornak, kitűnő kollégámnak 70. születésnapjára egy általa is jól ismert értékrend jegyében.

² For more literature see: HAJDU Tibor: *Közép-Európa forradalma 1917-1921* (The revolution of Central Europe 1917-1921) Budapest, Gondolat, 1989. SIPOS Péter: *Legális és illegális munkásmozgalom (1919-1944)* (Legal and illegal labor movement 1919-1944) Budapest, Gondolat, 1988. Id. A *munkásarisztokrácia sanyargatása* (Tormenting labor aristocracy). *História*, 2006. n° 4. 20-22. KENDE János: *Forradalomról forradalomra. Az 1918-1919-es forradalmak Magyarországon* (From revolution to revolution: The revolutions of 1918-1919 in Hungary). Budapest., Gondolat, 1979. PITTAWAY, Mark: A „munkásállam”. Manuscript.

there were forces of a renewal at the bottom of society. By destroying the Nazi war machine and expelling the forces of the Arrow Cross and other extreme rightist organizations, which participated also in the murder of the Hungarian Jews, the liberating Soviet troops gave a background for the Hungarian left and the weak antifascist bourgeois forces to denazify the country. At the same time, however, the communist party, which enjoyed the support of the Soviets, also exploited the nationalist and autocratic ideologies during „denazification”. In everyday politics the party frequently disregarded the national traditions and conditions as well as the traditions of the Hungarian labor movement and it more and more mechanically copied the model of the Soviet development. The turnabout of the Cold War in the summer of 1947 definitely forced the leaders of the communist party (MKP, Hungarian Communist Party, from 1948 MDP, Hungarian Workers' Party) to follow the Soviet path. The forced industrialization essentially involved the formation of a new, large-scale industrial proletariat, which should have fulfilled the role of the „*leading class of socialism*” and the „*new ruling class*” according to the ideology of legitimization of the new system. In the „*state of the working class*”, however, this „*ruling class*” was expected to pay all costs of the forced industrialization in every aspect – and the consequences are well known. After 1953 the half-hearted „*de-Stalinization*” liberated also the forces of anger and indignation and in 1956 the revolutionary spirit against the personal cult was let out of the bottle.

The social nature of the workers' councils

Similarly to the Russian workers' councils of 1905 and 1917 and the Hungarian workers' councils of 1918-19, the origin of the workers' councils of 1956 were connected with two circumstances, which were inseparable from each other: the general political crisis and the search for a new alternative. They sought to destroy the old political system by organizing a general strike and to restart and reorganize production on a new basis. It was decisively the reorganization of the production process and the *workers' control* of the factories and production where the activity of the Hungarian workers' councils of 1956 was connected with the manifestation of the traditional idea of the communality of labor and some characteristics of revolutionary anarchism. However, while the Soviet workers' councils and that of the Hungarian Soviet Republic rebelled against the old capitalist system, the Hungarian workers' councils of 1956 simultaneously sought to „*communalize*” state socialism and prevent the capitalist restoration. The Hungarian workers' councils originated not only in the severe political and economic oppression of the tyranny, the low standard of living and the violation of basic human rights but also in the inability of the rival groups of the party elite to adopt at least the „*Polish model*” for the solution of the created political crisis: the leadership of the communist party broke up into fractions which fought against each other.

The workers' councils were established spontaneously also in Hungary. As it is well

known, the most direct influence on the Hungarian workers' councils was the development of the workers' councils in Yugoslavia because there were no other contemporary experiences and the Yugoslavian example could be also used as a point of reference. In the eyes of the „reform communists” who sought to „humanize” socialism, these workers' councils were the rays of hope indicating the survival of the aspirations of socialist workers' self-management within the bureaucratic system of state socialism. The brief history of the Hungarian workers' councils (from October 1956 till January 1957) proves that socialism in the form of self-management took root in the consciousness of part of the working class.³ It, however, facilitated the Yugoslavian development that the Yugoslavs – contrary to the Hungarian people – liberated their country themselves, practically without Soviet help. Contrary to the Yugoslavian development the Hungarians – so to speak – readily received the opportunity of the socialist development and they „inherited” its Stalinist-state socialist variant, which had no roots in the national development and conditions. In spite of this, the forces, which were interested in the restoration of private property and the Horthy-system, and joined the camp of Cardinal Mindszenty during the uprising of 1956, did not dare to declare their antisocialist objectives clearly and openly but they formulated obscure promises of a mixed economy.

The Hungarian workers' councils of 1956 left a large number of documents of their activity to the succeeding generations.⁴ Their most important legacy was, however, the aspiration to establish a direct *workers' control* over the state and production bureaucracy, organized from below. In other words, their agenda was to communalize state socialism. Formed by spontaneous necessity on 31 October, the Parliament of Workers' Councils - with the participation of twenty-four large enterprises, the peasant alliances of five counties and some intellectual workers' councils - consented to the following classical document of the rights and basic

³ János Kádár himself acknowledged this on 1 November at the meeting of the Presidium of CC of the Communist Party of the USSR when he repeatedly called the uprising a „national democratic revolution” precisely because of the support of the significant masses of the working class. With this Kádár also referred to the danger of a counter-revolution – either on behalf of the clique of Rákosi-Gerő or the supporters of the restoration of the Horthy-regime. A. A. FURSZENKO (ed.): *Prezidium CK KPSZSZ 1954-1964*, volume 1. Csernovie zapiszi zaszedanyii. Sztyenogrammi, Moszkva, ROSZSZPEN, 2003. 196.

⁴ For literature see: KEMÉNY István and BILL LOMAX (eds.): *Magyar munkástanácsok 1956-ban. Dokumentumok* (Hungarian workers' councils in 1956: Documents). Magyar Füzetek, Párizs, 1986. BILL LOMAX: *Magyarország 1956* (Hungary 1956). Aura, 1989. TÓTH Eszter Zsófia: *A Csepel Vas- és Fémművek munkástanácsainak története és a munkástanács emlékezete* (The history of the workers' councils of Csepel Iron and Metal Works and the memory of the workers' council). Manuscript, 2006. FEITL István: *Parlamentarizmus és öngazgatás az 1956-os forradalomban* (Parliamentarism and self-management in the revolution of 1956). Múltunk, 2005. n° 2. 231-243. Id.: *A magyar munkástanácsok és az öngazgatás 1956-ban* (The Hungarian workers' councils and self-management in 1956). Eszmélet, n° 2. (1989.) 42-52. MOLNÁR János: *A Nagybudapesti Központi Munkástanács* (The Central Workers' Council of Great Budapest). Budapest, Akadémiai Kiadó, 1969. *A forradalom előzményei, alakulása és utóélete*. Tanulmányok és kronológia (The preliminaries, development and afterlife of the revolution: Studies and chronology). Párizs-New Jersey, 1987. RIPP Zoltán: *1956. Forradalom és szabadságharc Magyarországon* (1956. Revolution and fight for freedom in Hungary). Budapest, Korona Kiadó, 2002.

principles of the functioning of the workers' councils: „1. *The factory belongs to the workers. The workers pay a tax and a determined share from the profit to the state after the production of the factory.* 2. *The chief organ of management is the workers' council, which the workers elect democratically.* 3. *The workers' council elects a management committee of three-eight people from its members, which is the permanent organ of the workers' council. The committee is also responsible for other tasks that will be determined later in detail.* 4. *The chief manager is the employee of the factory. The manager and other employees who fulfill more responsible positions are elected by the workers' council. The management committee has to invite applications for these posts before the election.* 5. *The manager, who runs the factory, is responsible to the workers' council.* 6. *The workers' council reserves the following rights: A) consent to every plan of the enterprise, B) determines the wage fund and its use, C) determines every foreign transfer contracts, D) decides every credit operation.*

7. *In case of dispute the workers' council decides the beginning and termination of employment concerning every employee.* 8. *The workers' council also has to consent to the balances and it decides the allocation of profit, which has been left for the enterprise.* 9. *The workers' council is also responsible for the social welfare of the enterprise.”⁵*

In the beginning the political activity of the workers' councils was mainly local – apart from the general political demands (withdrawing of Soviet troops, national independence, democratic parliamentary elections). This activity was, however, extended when the Soviet troops marched in on 4 November and a new crisis began. Within the workers' councils the direction, which envisaged the union of workers' self management with multi-party democracy, where constitutional guarantees were supposed to protect the bases of socialism against the capitalist restoration, was strengthened. The Secretary of State of the government of Imre Nagy, the well-known Hungarian intellectual jurist, István Bibó formulated this idea in a special program draft on 6 November. The Workers' Council of Great Budapest, which was formed on 14 November, also adopted the draft. According to the document after the withdrawal of the Soviet troops *„the social form of Hungary is the social order based on the prohibition of exploitation (socialism), which implies more concretely...the preservation of the land reform of 1945, which maximized the size of estates in 11,4-22,8 hectares... the preservation of the nationalization of the mines, banks and heavy industry, the communal property of the existing factories based on workers' self management, workers' shares or profit-sharing, every possibility of the free individual or co-operative enterprises, with the determined guarantees of the prohibition of exploitation...”* The draft could have been ratified by a constituent assembly, in which the workers' councils could have played a decisive role.⁶ The trade unions, which supported Kádár's

⁵ *Magyar munkástanácsok 1956-ban.* Dokumentumok. 42-43.

⁶ *Ibid.* 132.

government that had been formed with the direct support of the Soviets, gave a similar proposal to the Revolutionary Worker-Peasant Government – as Kádár's government was called – when they recommended the creation of a bicameral parliament: *„For this purpose we propose that the government should consider the creation of the Council of Producers. As a house of the parliament the Council of Producers could be a new organ of our state power... there would be the House of Representatives elected by ballot according to the principle of the place of residence...and the Council of Producers, whose members are elected from the working communities also by ballot. According to the document the basic task of the latter is the “control of production and distribution. Thus, the direct producers could determine how the state should use its financial means and values and how it should allocate the resources... In political questions the council should get extensive rights to make proposals for the House of Representatives”.*⁷

After 4 November Kádár continued to negotiate with the representatives of the workers' councils for weeks – and not only for tactical reasons.⁸ He received the authorization for the negotiation from Moscow.⁹ From this aspect the development of the negotiations between the workers' council of the largest enterprise of the country (30500 people worked in eighteen factories of the Csepel Iron and Metal Works in October 1956) and the Kádár-government is particularly illuminating. Even though the workers' councils of the Csepel Iron and Metal Works (which encompassed the whole network of the workers' councils of the local factories with around 700 members, who were all volunteers and received no money for their work) declared that they would not recognize the Kádár-government and they expected the return of Imre Nagy to the post of Prime Minister, as a basis of negotiations they insisted that the government announce in the newspapers and the radio that it intends to rely on the workers' councils and it confirms their rights. *„This was fulfilled on paper in a decree published in Népszabadság on 14 November 1956, which gave the following rights to the workers' councils: the extension of workers' self-government to every area of factory life, right to make decisions, the elaboration of the wage system in the factory, the workers' council can divide part of the net profit of the factory among the workers. The permanent workers' councils should be elected in three weeks*

⁷ Eszmélet, n° 2. 48-49.

⁸ Several documents survived from December 1956, which reflect that the state power sought to integrate the workers' councils into the reformed management system. Since they would have been given rather extensive functions in production, this would have meant a shift towards corporatism. See e.g. *Magyar munkástanácsok 1956-ban*. Dokumentumok. A kohó – és gépipari minisztérium tervezete. 1956. dec. 13. 139-150. *ibid.*: *A vegyipari minisztérium tervezete*. 1956. nov. 21. 150-157.

⁹ FEITL, Múltunk, 241. A Soviet officer participated in the meeting of the workers' council of Csepel even on 30 November. Although the representative of the workers' council of the bicycle factory immediately protested, the case shows that the fate of the workers' councils had not yet been decided. *„The protest, was of course, ineffective, the officer argued that he was only interested in the practical realization of the workers' council model.”* TÓTH Eszter Zsófia, *ibid* manuscript.

with the participation of every employee of the factory. The trade union will develop the final and detailed guide-lines on the election and functioning of the workers' councils."¹⁰

The fall

The next 30 days were to tell the fate of the workers' councils whose activities took place under the circumstances of „double power” – as one of the representatives of the Workers' Council in Csepel put it. But, naturally, this situation could not last long. The 22nd November decree issued by the Presidium on the workers' councils provided a relatively wide sphere of authority to these institutions on the fields of bringing together the central-state planning and the local plans, on managing production and the local economic processes such as the ways of connecting profitability with wage-payment and with the structural layout of the factory; on the method of dividing profits and also that of the right of veto in appointing the managers. The question of „how to adjust the central industry managing system to the practice of self-management in the factories arose, and the turbulent ministry apparatuses are very much inclined to see this problem as the Archimedian point of the reform. The dialogue with its own apparatuses also pushes the government to take seriously the workers' councils and to find a compromise with them.”¹¹ As the documents show the conception finally taking shape was to envisage the coexistence of different management sectors, that is, a kind of a mixed economy.

But the fundamental, practical questions were answered on the political battlefield. Neither the Workers' Council of Great Budapest, nor the workers' councils in general accepted the compromising efforts of the power which purely interpreted the institutions of the workers' self-management as productive unites. János Kádár declared that the workers' councils had to manage the companies and factories but he added that they should not interfere in politics since it was none of their business.¹² But Kádár's concentration of power gradually diminished the role of the workers' councils which got stuck between the ministries and the factory managements which represented the interests of the ministries as well.

The Workers' Council of Great Budapest emphasized its need for power with strikes what the Kádár-government (and naturally the Soviet leaders behind them) found intolerable. The reorganized party, the Hungarian Workers' Socialist Party was gradually becoming an alternative force of power versus the workers' councils in the factories.¹³ The workers' councils themselves saw their role and that of the

¹⁰ TÓTH Eszter Zsófia, *ibid* manuscript.

¹¹ KIS János: *Az 1965-57-es restauráció – 30 év távlatából* (The Restoration of 1956-57 – from the perspective of 30 years). IN: *A forradalom előzményei*, *ibid*. 133.

¹² KIS János, *ibid*. The last meeting between Kádár and the leaders of HSWP and the representatives of the workers' councils in Csepel and other town took place on 27th December, 1956. It was here that in answering the questions of the delegation Kádár said these ominous words.

¹³ MOLNÁR János, *ibid*. 90-91

HWSP the same way.¹⁴ The fights for power and clash of arms brought about a sharp-edged situation where managing a new power system and a „multi party” socialism finally had disappeared from the agenda – even though the workers’ councils kept stressing until the last day of their existence both for the government and the powers of the bourgeois restoration, that „*factory and land belong to the people, and we will never give them back to anyone*”. But the restoration of state socialism and the Soviet efforts to hinder a „second Yugoslavia” from coming into existence proved to express stronger interests than the spontaneous aspirations to put new forms of socialism into practice. The logic of the power struggles had led to the restoration of the one-party system where the Hungarian workers’ councils could not have even the highly restricted role of their Yugoslav counterparts; in Yugoslavia these institutions though under the double pressure of bureaucracy and capital could survive for a long time. Almost 30 years later, in 1990 the workers’ councils suffered the same fate under the new conditions of civil parliamentarianism and multi-party system.¹⁵

In short, the Hungarian experience had proved that the workers’ councils were able to manage the processes of production, they were able to systematically build up and begin to introduce a socialist-communal system of self management, but the local experience under the given political conditions could not survive for a long time, and consequently it failed. I would like to repeat that the social counter-power represented by the workers’ councils was not tolerated either by the one party system or by the multi party system restored 30 years after the events. It seems that self managing as an alternative social system can be successful only as a result of an international cooperation - because of economic and political reasons.

The power elites celebrating the 50th anniversary of the October uprising refuse to tell about the theoretical and economic chances of self management and to re-think its legacy and this way they falsify the true socialist aspect of the 1956 uprising.

¹⁴ MOLNÁR, *ibid* and TÓTH E. Zs. *Ibid*, and RIPP Zoltán *ibid*. 234. On 9th December the government outlawed the regional workers’ councils and the leaders of the workers’ councils were arrested; on 11th December Sándor Rácz, the leader of the Central Workers’ Council was also arrested; the government in response to the workers’ strikes and protest marches extended the scope of means of terror.

¹⁵ The constitutional amendment in 1989 seemed to give chance for a historic moment to the self managing experiences but the first „democratic” parliament in 1990 amended the constitution and removed § 12/2 which legally established the notion of collective workers’ property.

